VZCZCXRO4023 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #4751/01 2300817 ZNR UUUUU ZZH P 180817Z AUG 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 5543 INFO RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY RUEAWJA/USDOJ WASHDC PRIORITY RULSDMK/USDOT WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC//J5// RHHMUNA/HQ USPACOM HONOLULU HI RHHMHBA/COMPACFLT PEARL HARBOR HI RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21// RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RUAYJAA/COMPATWING ONE KAMI SEYA JA RUEHNH/AMCONSUL NAHA 0291 RUEHFK/AMCONSUL FUKUOKA 7721 RUEHOK/AMCONSUL OSAKA KOBE 1048 RUEHNAG/AMCONSUL NAGOYA 7537 RUEHKSO/AMCONSUL SAPPORO 8829 RUEHBJ/AMEMBASSY BEIJING 3827 RUEHUL/AMEMBASSY SEOUL 9958 RUCNDT/USMISSION USUN NEW YORK 1653

UNCLAS SECTION 01 OF 05 TOKYO 004751

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO PGOV PINR ECON ELAB JA

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/18/06

INDEX:

- (1) Ozawa's criticism of Prime Minister Koizumi Wavering; "Yasukuni visit by the prime minister is only natural," Ozawa once said
- (2) With one cabinet minister after another leaving for remote countries, uncertainty looms over relations with neighbors
- (3) Seizure of Japanese fishing boat by Russia: Median line in northern waters; one of the best fishing grounds; Fishermen in Nemuro have consciousness that it is their sea
- (4) Government decides to shut out crime syndicates, subcontractors from public works projects, including materials

ARTICLES:

(1) Ozawa's criticism of Prime Minister Koizumi Wavering; "Yasukuni visit by the prime minister is only natural," Ozawa once said

SANKEI (Page 5) (Full) August 18, 2006

Minshuto (Democratic Party of Japan) President Ichiro Ozawa has kept silent since Prime Minister Junichiro Koizumi visited Yasukuni Shrine on Aug. 15. But in his column carried by the Yukan Fuji (evening sports newspaper), he severely criticized Koizumi's visit to the Shinto shrine: "He visited the shrine as a performance. He should instead by laying the ground work so that the Emperor would be able to visit there, too." He once supported the prime minister's

Yasukuni visits, noting, "There are no reasons for the prime minister to hesitate."

On the 15 when Koizumi went to Yasukuni, only Secretary General Yukio Hatoyama responded with an interview. Executive Office chief Goshi Hosono, Ozawa's aide, stated: "Prime Minister Koizumi will soon resign. There is no need for the party head to make a comment. We want him to do his best for preparations for the party leadership race."

In his column in the evening newspaper yesterday, however, Ozawa blasted Koizumi, as follows:

"The prime minister recognizes that war as a wrong, and he has said that Class-A war criminals were responsible for waging the war and that they had committed crimes. Yasukuni Shrine honors Class-A war criminals, yet he visited there. This means that the prime minister, who represents Japan, made an action that can not be acceptable domestically or internationally."

After assuming the presidency of the main opposition party, Ozawa pushed the argument that the names of Class-A war criminals should be deleted from the list of names of those enshrined at Yasukuni Shrine. His reason was that the leaders of the time bear grave responsibility to the Japanese people for leading them into war and that they should not have enshrined because they did not die in the war.

On April 2, 1986, when he was serving as home affairs minister, Ozawa replied to a question by then Japan Socialist Party member Sango Sato at the Upper House Local Administration Committee as follows:

TOKYO 00004751 002 OF 005

"Paying our respects at Yasukuni Shrine means to honor those who died in the war for the country. Whether they were Class-A war criminals, Class-B, or Class-C is not a question," he then added, "We should think separately the issue of war responsibility and our feelings."

On April 25, 2001, the day before the Koizumi government was inaugurated, Ozawa as head of then Liberal Party, made a statement supporting the prime minister's visit to Yasukuni Shrine, saying, "It is only natural that we thank for those who died in the frontline of the war. We should accept it meekly."

On June 9, 2005, when he was Minshuto vice president, Ozawa stated: "If the prime minister insists that visiting Yasukuni is his political belief, he should visit there on Aug. 15, the anniversary of the end of the war." He gave Koizumi a "seal of approval" even though his aim was to seek to check Koizumi.

If one looks at Ozawa's remarks until now, what he said are totally different from one he made in 1986. A secretary to a veteran LDP lawmaker commented: "Mr. Ozawa is just criticizing for the sake of criticizing." It is the fact that the political situation over Yasukuni visits by the prime minister and Ozawa's position are greatly changed. As if to keep his words and actions in the past in mind, Ozawa said in his column yesterday: "A visit to Yasukuni by the persons who are responsible posts in the government is on a different level (from a visit to the shrine by other people)."

(2) With one cabinet minister after another leaving for remote countries, uncertainty looms over relations with neighbors

TOKYO SHIMBUN (Page 2) (Slightly abridged) August 18, 2006

A number of members in the Koizumi cabinet have left or will be leaving for countries that have yet received no Japanese cabinet ministers. This is the first such attempt in a bid to strengthen Japan's diplomatic foundations. Conversely, however, it could be dangerous to overlook nearby countries, as seen from the incident of a Japanese fishing boat shot in waters off Nemuro, Hokkaido.

Prime Minister Junichiro Koizumi came up with this strategic approach. During the Golden Week holidays this year, he became the first sitting prime minister to visit three countries in Africa and Scandinavia, including Ghana. On that occasion, the prime minister, impressed by their warm welcomes, felt the need for Japan to develop "diplomacy with a face," according to his aides.

Koizumi urged cabinet ministers to separately go to countries that have never received a Japanese premier or cabinet minister.

It is common for each government agency to determine where its head will go overseas. In the selection process, priority is given to countries that have close ties with Japan, like the United States and China, or to those involved in important issues. Low-profile countries tend to be put on the backburner. Of the 192 UN member states, as of this May, there were 82 countries that have received no prime minister or cabinet ministers from Japan.

In response to an order from Koizumi, the Kantei took the lead in scheduling cabinet members' overseas trips. The office arranged plans for nine cabinet ministers to visit 16 countries, including those in Africa and the Asia-Pacific region. Their mission is to

TOKYO 00004751 003 OF 005

deliver the prime minister's personal letter and convey Japan's economic assistance plans. They were given opportunities to explain Japan's bid for a permanent seat on UN Security Council or Japan's position on the North Korea issue, achieving acceptable results.

While Japan is engaged in this diplomatic approach to remote countries, strained relations with its neighbors have been brought to the forefront. On Aug. 16, Russian Border Patrol officers fired on a Japanese boat in waters near Kaigarjima, part of the disputed Northern Territories. In this incident, one crewmember was killed. Foreign Minister Taro Aso lodged a strong protest with the Russian government, casting dark clouds over relations between Japan and Russia. It is also true that the standstill Northern Territories issue was behind the incident.

A Taiwanese anti-Japanese group set sail for the Senkaku Islands (called the Diaoyutai Islands in Chinese) by fishing boat yesterday in a move to protest the prime minister's visit to Yasukuni Shrine on Aug. 15. On sovereignty over the islets, Japan and China have been at loggerheads.

Japan also has a disagreement with South Korea in connection with marine surveys in waters near the Takeshima islets (Dokdo in South Korea), over which both countries claim sovereignty.

The prime minister has given priority to strengthening Japan-US relations, saying that deeper relations between Japan and the US will mean better relations between Japan and its Asian neighbors, giving short shrift to diplomacy in the region. This stance unavoidably has come at a high price and has kept such relations icy.

(3) Seizure of Japanese fishing boat by Russia: Median line in northern waters; one of the best fishing grounds; Fishermen in Nemuro have consciousness that it is their sea

YOMIURI (Page 3) (Excerpts) August 18, 2006

Japan claims the Northern Territories as its own. However, in reality the former USSR and Russia have effectively controlled the four islands since the end of the war. Each country claims a different borderline. In fact, there were a series of firings at Japanese fishing boats years ago by then USSR Coast Guard patrol vessels. As a result, a line different from the one Japan had claimed had to be drawn. This is the so-called median line.

At present, only fishing boats with written permission from Russia under the Japan-Russia Fishing Agreement can fish in waters claimed by Russia beyond the median line. These fishing boats are allowed to fish for octopus, hokke (flounder-like fish), and pollack. There is also an operation agreement on kelp. The Hokkaido Fisheries

Association pays cooperation money to Russia each year so that Japanese fishermen can catch or gather those products in limited areas in a specified period.

In any case, Japanese fishing boats are not allowed to catch king crabs, which the fishing boat seized by Russia was reportedly catching. If Russia's claim is true, the fishing boat in question was operating in violation of the agreement.

The history of the median line goes back to 1952, when Hokkaido and the Japan Coast Guard designated a presumed danger zone as an area

TOKYO 00004751 004 OF 005

to which the USSR's Coast Guard's capability reaches. This is said to be the initial (median) line.

In order to avoid such danger as seizures or shootings, fisheries cooperative associations along the coast line and Hokkaido in 1996 designated an self-restraint operation line, by setting a buffering waters area on the Hokkaido's side several kilometers beyond the median line. Nevertheless line-crossing fishing operations did not decrease. Hokkaido, therefore, designated operating waters on the Hokkaido's side of the voluntary restraint line and made the voluntary restraint line a regulated coordination line (partly revised in 2002).

After the collapse of the USSR, the Hokkaido Fisheries and Forestry Department held sea-based talks several times a year with the Russia Coast Guard near the median line and discussed the issue of fishing near the Nemuro Strait. However, the issue was not settled fundamentally. Contradiction in claims by the two countries over the territorial issue has apparently been exposed in the incident this time.

(4) Government decides to shut out crime syndicates, subcontractors from public works projects, including materials

YOMIURI (Top Play) (Full) August 18, 2006

The government has decided to shut out crime syndicates and companies affiliated with them from all public works projects so that state money will not become sources of funding for them. There is already a regulation to exclude crime syndicates when the government places original contracts for public projects. The plan is also to establish a regulation to shut them out from subcontracts and sub-subcontracts. Organized crime groups will also be barred from contracts for supplying construction materials and providing such services as cleaning. Government agencies concerned have already started discussions on the issue. Specific measures, such as a regulation to eliminate crime syndicates, will be mapped out possibly before the end of the year.

Following the enforcement of the Anti-Organized Crime Law in 1992, fund-raising activities unique to crime syndicates, such as the collection of protection money and nominal contributions, have been contained to some extent. However, the number of crime syndicate members (including semi-members) stood at 86,300 as of the end of 2005, showing little decline from 90,600 as of the end of 1992. The National Police Agency (NPA) believes that crime syndicates are maintaining their force by shifting the weight of their activities to a method of shrewdly obtaining contracts for public works as subcontractors or sub-subcontractors.

The Ministry of Land, Infrastructure and Transport has already issued a circular concerning regulations to shut out crime syndicates and companies related to them from contracts for public projects. However, since there is no regulation to directly bar crime syndicates from subcontracts or sub-subcontracts for public projects, the government will issue a notice on a ban on such practices or include it in guidelines.

As specific measures to shut out underworld gangs from public projects, the government is considering: (1) introducing a system of informing project sponsors of any undue demand for participation in the project as a sub-contractor from a crime syndicate or a related

company; and (2) excluding a prime contractor from a list of designated companies if it is found to have connections or business transactions with crime syndicates. Some local governments have already introduced a similar system ahead of the state. The government is also looking into the possibility of eliminating underworld gangs and companies related to them from contracts for projects funded by public money in the future.

There are increasing cases in which crime syndicates disguise themselves as unrelated companies by using related companies, relatives, and acquaintances. In order to deal with this situation, the NPA will provide information to determine whether a person who made an undue demand is connected with a crime syndicate or not more actively than before. It will also further strengthen cooperation with government agencies and local governments.

SCHIEFFER